

SCHAFFER ACCOUNTANCY CORPORATION

Review Report

QUALITY CONTROL REVIEW

For the Firm's Audit of
Mendota Unified School District
for the Fiscal Year Ended June 30, 2002



STEVE WESTLY
California State Controller

February 2005



STEVE WESTLY
California State Controller

February 18, 2005

Neil Schafer, CPA
Schafer Accountancy Corporation
7080 North Whitney Avenue
Fresno, CA 93720

Dear Mr. Schafer:

The State Controller's Office (SCO) completed a quality control review of Schafer Accountancy Corporation. We reviewed the audit working papers for the firm's audit of the Mendota Unified School District for the fiscal year ended June 30, 2002.

As mutually agreed at the exit conference on March 19, 2004, we will not issue a draft report.

If you have any questions, please contact Casandra Moore-Hudnall, Chief, Financial Audits Bureau, at (916) 322-4846.

Sincerely,

"original signed by"

VINCENT P. BROWN
Chief Operating Officer

VPB:JVB/jj

cc: Peter Mehas, Superintendent
Fresno County Office of Education
Gilbert Rossette, Superintendent
Mendota Unified School District
Arlene Matsuura, Educational Consultant
School Fiscal Services Division
California Department of Education
Jeannie Oropeza, Program Budget Manager
Education Systems, Department of Finance

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Review Report

Summary

The State Controller's Office (SCO) completed a quality control review of the audit working papers for an audit performed by Schafer Accountancy Corporation of the Mendota Unified School District for the fiscal year ended June 30, 2002. The last day of fieldwork was March 19, 2004.

The audit referred to above was performed in accordance with the standards and requirements set forth in *Government Auditing Standards*, issued by the Comptroller General of the United States, often referred to as generally accepted government auditing standards (GAGAS); U.S. generally accepted auditing standards (GAAS); Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and *Standards and Procedures for Audits of California K-12 Local Educational Agencies* (K-12 Audit Guide), published by the SCO.

Background

Any governmental unit subject to a single audit must have the audit performed in accordance with the standards referred to in this report. According to OMB Circular A-133, the auditor's work is subject to a quality control review at the discretion of an agency granted cognizant or oversight status by the federal funding agency. In addition, *Education Code* Section 14504.2 authorizes the SCO to perform quality control reviews of working papers for audits of K-12 local educational agencies (LEAs) to determine whether audits are performed in accordance with U.S. General Accounting Office standards for financial and compliance audits.

Schafer Accountancy Corporaton is an independent certified public accounting firm with an office located in Fresno, California. The firm consists of one auditor. The firm has been the independent auditor for the Mendota Unified School District since fiscal year (FY) 1996-97. The audit of the Mendota Unified School District was the only LEA audit performed by the firm in FY 2001-02. During FY 2001-02, the district operated two elementary schools, one intermediate school, and one high school, with a total average daily attendance (ADA) of 1,955 for the purpose of state funding.

Objectives, Scope, and Methodology

The general objectives of our quality control review were to determine whether this audit was conducted in compliance with:

- GAGAS
- GAAS
- K-12 Audit Guide
- OMB Circular A-133

The quality control review was conducted at the office of Schafer Accountancy Corporation. We compared the audit work performed by the firm, as documented in the working papers, with the standards stated in the general objectives.

Conclusion

The audit referred to above was performed in accordance with the standards and requirements set forth in GAGAS, GAAS, OMB Circular A-133, and the K-12 Audit Guide.

**Views of
Responsible
Official**

We discussed the review results with Neil Schafer, CPA, on March 19, 2004. Mr. Schafer agreed with the review results presented in this report. Mr. Schafer declined a draft report and agreed that we could issue the report as final.

Restricted Use

This report is intended solely for the information and use of the specified parties; it is not intended to be and should not be used for any other purpose. This restriction is not meant to limit distribution of the report, which is a matter of public record.

“original signed by”

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, California 94250-5874**

<http://www.sco.ca.gov>